NOTE FOR: Chief, Plans and Programs Staff, OL

FROM: James H. McDonald
            Director of Logistics

SUBJECT: Office of Logistics Strategic Plan -
            1981-1986

Dave:

    1.   I have had an opportunity to review the subject
plan and find it more than adequate as a point of beginning
for our Division Chiefs at the forthcoming conference. I
would expect that they would concentrate their efforts on
the Goals and Plans sections which are the most difficult
and yet most useful portions of the manual.

    2.   There were three areas that struck me as being lacking
in reading through this first effort:

        a.   The need for innovation and a willingness to
try new approaches and new methods is of utmost impor-
tance to all Divisions and Staffs but is only rarely
mentioned in the plan.

        b.   The Division Chiefs have clearly prepared
their inputs from their own parochial points of view
rather than looking on OL as a total system. This
is to be expected, but, hopefully, we can change that
outlook during the forthcoming conference.

        c.   More and more, DoD and other Government agencies
heavily involved in logistics are requiring that ILS
planning be included in the earliest stages of major
technical projects. Such projects do exist within the
Agency in S&T and in OC. Somehow, we must ensure that
at least a few logisticians are trained in these tech-
niques and actively included on project teams at their
inception.

SUBJECT: Office of Logistics Strategic Plan -
          1981 - 1986

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that Pete did on this document even though I am sure a number
of changes will be made following our conference. I am send-
ing Pete a separate note to thank him for his efforts to date.

STAT

James H. McDonald

2

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Office of Logistics Strategic Plan - 1981-1986

FROM: James H. McDonald Director of Logistics		EXTENSION	NO.
			DATE

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. C/P&PS, OL				
2.				
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9.				
10.				
11.				
12.				
13.				
14.				
15.				

NOTE FOR: Chief, Plans and Programs Staff, OL

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SUBJECT: Office of Logistics Strategic Plan -
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Distribution:
  Orig - Addressee
     1 - DD/L
     1 - D/L Chrono
     1 - OL Official

STAT   DD/L:[   ]   (16 Jun 80)

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Draft Three
June 17, 1980

OFFICE OF LOGISTICS

STRATEGIC PLAN

1981 - 1986

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SECRET

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SECTION 5 - PLANS

S E C R E T

Executive Summary

This plan is to formally document the OL's long-range goals over the next five years. These goals are predicated on what Logistics managers predict must be done to responsively meet requirements.

The underlying thread throughout this plan is one of diminishing resources pitted against increasing demands. OL must develop a course of action which deals with the dichotomy and arrive at a position of accomodation. The plan takes full recognition of the difficulties and uncertainties of predicting the future; yet, good management practices require that the organization look ahead if it is to maximize its utility to the Agency.

The introduction sets the tone of the plan, and provides a format for developing, executing, and tracking the plans progress. Broad goals are identified with specific objectives for accomplishing the goals. This section addresses some of the office policies and guidelines and makes some assumptions to be considered in the planning process. The challenge throughout, is that Logistics will be faced with the problems of fewer resources, higher costs, increasing demands, and the need to compensate for these constraints through increased productivity.

Section 2 addresses the environmental consideration. Because we are planning a strategy to move ahead, it is important to know what is going on outside the organization that may effect what we are attempting to do. The section also provides an insight of the major historical events in the evolution of Logistics from the early years of the organization to the present time. The benefit of this information is that it may be useful to managers to look at events in the historical context in which they occurred and assess their applicability to current and future events.

The third section looks at Logistics resources - human, financial, material, and organizational - currently available to the office. We know at the beginning what we can count on to work with. The likelihood that the resources picture will improve much is remote. Therefore, managers may need to alter or reallocate available resources for the office to best meet Agency objectives.

Section 4 deals with Logistics requirements from two positions. First identified are the requirements to satisfy customer's needs, along with a brief mission description of each of the operating Divisions. Secondly, the section identifies those requirements which Logistics must levy upon itself if it is to create and maintain a viable logistics support structure. Specific issues in areas of supply, procurement, space, printing, and others are touched upon.

The Plans, Section 5, discusses in greater detail programs which meet the goals and objectives discussed in Section 1. It is at this point in the planning process that the Management by Objectives program, the Personnel Development Plan, and the Program Call must begin to be melded together into an office strategy. Objectives must be assigned, action plans developed with a greater degree of specificity, and financial and human resources identified and committed to the programs. Managers can then begin to execute their portions of the Plan and be evaluated according to their contributions and successes.

Section 5 is of prime importance as it forms the foundation for the integration of the planning, budgeting, and evaluation (MBO and AWP) aspects of office management. Section 5 will be the functionally operative part of the plan, while Section 1 through 4 serve to provide information, philosophy, guidelines, and continuity. Section 5 is action, the remaining sectionS provideS support to clarify Section 5. The integrated thrust of the plan is to focus the application of creativity and innovation to improve our support capability. Requirements must be identified and our existing policies and procedures analyzed, and understood. Then the leadership and communications must exist to recognize all the alternatives to meet known and anticipated requirements and to implement the organization and systems that best meet the known and aniticipated requirements.

It is important that strategic planning remain a dynamic process. The plan will require regular evaluation and adjust-

ments according to circumstances. Once the plan is adopted,
it provides the baseline for decision-making in the organization.
Deviation from the baseline may not only be desireable, but
sometime necessary if the organization if to succeed. The
plan exists to assist managers in doing their jobs, and exists
to promote the general well being of the office and the Agency.

SECTION 1 - INTRODUCTION

1.1 PURPOSE

During the years covered by this plan, 1981 and 1986,
Logistics managers will have the responsibility for maintaining
a viable logistics system responsive to the needs of the Agency.
The process of maintaining a strategic plan will ensure that
an information flow exists to anticipate Agency future goals
and once the goals are recognized and approved to ensure that
management and control exist such that the path to the goals is
unambiguous, flexible, and efficient.

As in most support organizations, demands for logistics
goods and services are time-critical; that is, the organization
must be able to respond within defined timelines. The services
which Logistics provides are perishable, and all too often these
requirements are influenced by environment consideration over
which Logistics has little or no control.

While it is clear that strategic planning requires
long-term forecasts, it is also clear that predictions into
the future may not be accurate. Operating managers should
view the plan as flexible, work to track changing Agency
requirements, and adjust their strategies accordingly.

It is a certainty that the management of scarce resources--
financial, material, and human--become increasingly important

to the Office of Logistics (OL). In absolute terms, the value of the dollar and what it will provide will continue to diminish. On the other hand, demands placed on the logistics system and the level of services which will continue to be required will grow. The only way Logistics can respond to this dilemma is by increasing productivity.

1.2 PLANNING PROCESS

Strategic planning is to remain a dynamic process with the Plan itself subject to periodic review and adjustment. Once the strategy is formulated and approved, it becomes the baseline for OL decisionmaking. The Management By Objectives (MBO) program, the Personnel Development Plan (PDP), and the Program Call (PC) are all an integral part of the process and must be well coordinated and jointed together into a unified strategy for action.

The following processes are required in the development, execution, tracking, and review of the Plan.

A. Development

(1) Develop a clear statement of the organization's mission and responsibilities for the five-year period.

  (2) Identify goals and objectives which will

     get the organization to where it perceives

     it needs to be.

  (3) Incorporate these goals and objectives into

     the MBO, PDP and PC, and/or other managerial

     tools used by the Agency.

B. Execution

  (1) Assign specific tasks to meet the objectives of

     each component.

  (2) Identify milestones and prepare action plans

     for accomplishing the tasks and objectives.

C. Tracking and Evaluation

  (1) Once each quarter action components are to

     review with senior management progress towards

     accomplishing objectives.

  (2) Senior managers should continually review the

     Strategic Plan for completeness and accuracy.

     This should include the goals and objectives,

     the PDP, the budget, and the evaluation of the

     action officers' performance.

D.   Annual Review

> (1)   Once each year, the senior Logistics managers
> should come together for a comprehensive review
> and update of all phases of the Plan. The
> Plan and Programs Staff will participate with
> the Divisions and Staffs in coordinating and
> monitoring the Plan.

1.3 GOALS AND OBJECTIVES

The following goals and objectives have been identified
by OL management for Plan execution:

Goal 1:

> Logistics will increase its productivity in order to
> compensate for diminishing resources and to cope with
> increasing demands.

Objectives:

1.   Develop an improved automated logistics materiel
     management system which will transfer labor-
     intensive operations to computers and will more
     closely integrate logistics processes in areas of
     materiel acquisition, distribution, and property
     management. This system will involve the link-up

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interaction of requisitioning, procurement, receiving, inventory and accounting/budget/payment aspects of this process. Such a system employing information handling technologies, woule eliminate data input duplication, paper-flow blockage, data integrity issues and would provide accurate production capabilities.

2.   Enhance logistics ability to provide perishable intelligence in printing and photography to all Agency components on a time-critical basis through the use of advanced technology.

3.   Perform a comprehensive personnel functional analysis of the Logistics work force for the purpose of identifying job requirements, qualifications, and assignments, training, and rotational guidelines, as well as an overall rounding considered essential for individuals who demonstrate a high potential for development to managerial positions.

Goal 2:

To establish a coordinated planning and forecasting mechanism that will permit early identification of procurement requirements and enable procurement and requirement officers to develop more coherent programmatic acquisition strategies.

Objectives:

1.   Establish a relationship with the Comptroller and major requirements officers so that budgetary estimates of procurements may be acquired prior to the start of a fiscal year.

2. Develop acquisition strategies with requirements officers based on a total program vice individual aspects of a program.

Goal 3:

To establish effective acquisition procedures that permit a consistent and coherent treatment of each procurement while conforming with regulations published by the Office of Management and Budget (OMB) and other Federal policy agencies.

Objective:

1. Develop detailed procedures manuals covering the acquisition process thereby ensuring that management policy is translated into actual practice.

Goal 4:

To rationalize the procurement organization within this Agency to accord with the recommendations of the Commission on Government Procurement.

Objectives:

1. Reassess the present procurement organization's position in the Agency's hierarchical structure.

S E C R E T

2.   Develop strategy to measure the use of scarce
     procurement resources.

Goal 5:

To plan for, obtain funds, and begin construction of
a new building on the headquarters compound in order
to consolidate all Agency employees scattered throughout
the Washington metropolitan area.

1.   Organize a Building Planning Staff to conduct a
     feasibility study on the nature and type of building
     required.

2.   Prepare for submission to Congress in the FY 84
     Program Call a request for approval and funds for
     the new facility.

3.   Begin architecture, engineering, and negotiations
     for the facility commensurate with appropriate
     approvals and availability of funds.

Goal 6:

To become more efficient in the operations and main-
tenance of Agency facilities.

Objectives:

1. Conduct a feasibility study to determine alter-
    natives to utilizing the General Services Adminis-
    tration for facilities maintenance.

2. Initiate a program from the selected alternatives
    for a more efficient and effective building main-
    tenance program.

Goal 7:

To improve the Agency Industrial Facility Inspection
Program.

Objectives:

1. Consolidate the Agency industrial facility reinspection
    function within the Security Staff, OL.

2. Automate the industrial security data base.

3. Microfiche Industrial Contractor Facility data
    files.

Goal 8:

25X1

Improve the present capability of supporting Agency
[   ] programs on a worldwide basis.

Objectives:

25X1

1.   Conduct operational readiness exercises at the
[   ] on an annual basis and search for
methods to improve upon the present quick-reaction
capability.

25X1

2.   Initiate a career development and personnel plan
for the [   ] which would include an
apprentice program for the young and the hiring of
young journeymen capable of assuming specialized
positions.

Goal 9:

To become autonomous of GSA in the leasing, acquisition,
and construction of real property.

Objective:

1.   Through existing statutes, exceptions, or new
legislation, prompt independent authority for the
Agency to lease, acquire, or construct real property.

Goal 10:

    To enhance the OL managerial decisionmaking processes.

    Objectives:

1.   Incorporate into the automated systems productivity standards and measurements, and other management data which can be easily retrieved and assimilated.

2.   Develop efficient, automated systems for information handling, and document control.

3.   Re-examine the OL management structure and ensure that levels of authority and responsibility are appropriately defined and communicated.

Goal 11:

    Become more efficient in the management and conservation of energy resources.

    Objectives:

1.   Work with GSA to study and enhance energy efficiencies in Agency buildings.

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2.   Study the feasibility of converting classified and
      other paper trash into energy.

3.   Replace the less efficient Agency vehicles with
      vehicles that are more fuel efficient.

4.   Promote the use of gasohol for Agency-owned vehicles.

1.4 POLICIES AND GUIDELINES

a.   Policies

     Policies of the Director of Logistics relevant to this
     plan include:

(1) Management efficiency

     The logistics system remain responsive to the
     Agency mission, and that it be managed efficiently
     and effectively regardless of assumptions of the
     origional plan that have become outdated.

(2) Any actions issuing from the Plan must be in
     compliance with applicable Agency regulations
     and statutory requirements.

b.   Guidelines

    (1) Dynamics

        Planning should be a dynamic process which will permit managers to adapt to changes in the environment while retaining a realistic balance between expectations and results.

    (2) Innovation and Motivation

        The organizational environment should be such that creativity is encouraged. Efforts must be directed towards finding new methods to improve productivity. New and better ways must be found to streamline our system through working smarter and sharing resources of information.

1.5 ASSUMPTIONS

a.   Financial Resources

The Logistics budget will continue to be austere; the dollars available will decrease in absolute terms while demands for goods and services will continue to grow.

b.   Personnel Resources

(1) Attrition will continue at a nominal rate, but it
     will be challenging to retain professional personnel.

(2) The personnel ceiling will remain relatively
     stable. The types of OL positions, distribution
     of skills, and training criteria may need to be
     realigned.

(3) Support personnel in the field will be reduced by
     at least 5 percent over the next five years. Log-
     istics personnel will be reduced considerably less.
     A hostile overseas environment will make the assign-
     ment of personnel overseas more difficult.

c.   Facilities Management

(1) As the Headquarters and other Agency buildings get
     older, costs of operating and maintaining these
     facilities will increase. The cost of maintaining
     utility system reliability will be particularly
     high.

(2) Office space will be further exacerbated as computers
     and other technical systems displace personnel.
     This condition will become particularly acute over
     the next five to ten years.

d.   Energy

Energy resources will become more scarce and costly,
requiring greater efforts in the management and conservation
of these resources. There will be a dramatic increase
in the cost of services such as transportation and
utilities, which are energy-intensive.

e.   Political Environment

Attitudes of Congress, the press, and the general
public will become more favorable towards the Agency,
but Agency activities will continue to be closely
observed.

f.   Paramilitary Activities

As the turbulence and turmoil in the unsettled world
continue, the Agency may be tasked to increase covert
action abroad.

g.   Technical Collection

The continued advances in technical collection system
will require commensurate highly responsive logistics
support systems.

h.   Information Handling

Pressures will continue to reduce the voluminous amounts
of paperwork and files and to develop efficient information-
handling alternatives. The quality, storage, and retrieval
of information will have to be improved. Effective
information handling will form the basis of a management
information system, which in turn will be the basis of
the effective administration and real time management
of the OL.

1.6   ISSUES

Issues must be addressed as the Strategic Plan develops.
Among these key issues are:

a.   Capital Investment - In absolute terms the value
      of the dollar has diminished while the support
      budget continues to be austere. Investment priorities
      must be established in areas concerned with plant
      and equipment, energy conservation, advanced
      technical system (ADP, Printing and Photography)
      and transportation.

b.   Energy (and material) Conservation - Failure to
      conserve sufficient energy and material resources
      to offset escalating prices has already led to a
      fiscal shortfall approaching $1M in FY 1980.

Catastrophic shortfalls are predicted for FY 1981
if additional funds are not made available or
drastic steps towards conservation take place.
Transportation and printing and photography are
particularly affected.

c. Information Handling - There is a proliferation of
paperwork and information handling systems throughout
the Agency. The systems are somewhat decentralized and
uncoordinated. Information is voluminous, but
selective data is difficult to retrieve on a
timely basis.

d. Personnel Utilization - Personnel must be better
trained and equipped to deal with advanced technology
and new managerial challenges. The number of
support personnel in the field are being reduced.

e. Need to Change Technological advances, particularly
in areas of communications and automated data pro-
cessing may begin to be amalgamated. The support
structure will have to adjust to these changes in
such a way that OL can become more productive with
fewer resources.

f. Paramilitary Capability - OL's ability to mount
successful paramilitary support operations is

now questionable. The skilled personnel are no

longer available, and the ⬚ serves   25X1

primarily as a storage facility of greatly reduced

ordnance assets. Given the deteriorating inter-

national situation, additional resources may have

to be expended in this area.

S E C R E T

2.1 PUBLIC ENVIRONMENT

Congressional, press and general public sentiments seem
to be more favorably disposed towards the Agency. While
this is the case, Agency activities will still be closely
observed. The Freedom of Information Act, unless changed to
provide more protection to the Agency, will continue to make
Agency procurement policies and practices, such as competition,
sole source, and contractor relationships more vulnerable to
seekers of information under the act. Covert logistics
activities will continue to require judicious management to
ensure protection of sources and methods.

The Federal Government procurement process has grown
progressively more complex over the years. This complexity
is particularly evident in such concepts as life cycle costing,
cost of capital investment, various lease-purchase alternatives,
and complex incentive formulas. Also adding to the confusion is
the fact that some 40 different socioeconomic programs are
implemented through the procurement process. These factors and
others which contributed to making the Federal procurement
process complex and sometimes confusing, plus a competitive
marketplace where contractors more and more are willing to
protest Agency procurement decisions, have made career develop-
ment and professionalism of the contracting officer one of the

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top priorities for the Office of Federal Procurement Policy
through its Federal Acquisition Institution. These problems
may be even more complex in CIA where we are also faced with
the complexities of security.

2.2 INTELLIGENCE COMMUNITY ENVIRONMENT

The movement towards centralized management of a
national intelligence network continues as the Director of
Central Intelligence exercises more direction and control
over the community. Consolidation of resources at the
community level, and the realignment of collection tasks, as
for example the consolidation of SIGINT in NSA will impact
Agency support systems. While these independent intelligence
agencies have internal support structures, competing systems
can be redundant, inefficient, and difficult to manage.
Further, the security and integrity of Agency operations
beomce more vulnerable to compromise. Particular care must
be exercised to protect the unauthorized disclosure of Agency
sources and methods when participating in joint efforts with
other agencies of the community.

2.3 MANAGEMENT ENVIRONMENT

Senior Agency Management's approach to support in
general has been to hold down the escalating support costs
while insisting on a high level of support services. This

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approach was an adverse impact on OL since the Logistics
budget is redule the costs to provide the same level
of services.

The Executive Advisory Group (EAG) is the senior advisory
body to the Director. Composed of the Deputy Director of
Central Intelligence (DDCI) who chairs the group, the
Comptroller, the General Counsel, and the four Deputy Directors,
one of its functions is to identify and advise the Director
on important Agency-wide issues. OL will present substantive
issues brought before the group through the Deputy Director of
Administration (DDA).

One of the top five priorities for the Office of
Federal Procurement Policy is to clarify the authorities and
responsibilities of contracting officers. This was a concern
of The Commission on Federal Government Procurement and has been
the subject of many studies over the years. It has been a
concern in our Agency as evidenced by various Inspector General
findings over the years and most recently by a January 1980
memorandum from DCI Turner to DDCI Carlucci in which the
Director stated "...I wonder if we shouldn't strengthen the
perception of the contracting officers' authority versus the
Contracting Officer Technical Representative (COTR)." Notwith-
standing concern inside and outside of CIA at the highest
levels, our policy and coordination responsibility is
placed at a relatively low level as a staff within Logistics;

S E C R E T

contracting personnel report to requirements personnel and have
their performance appraisals written by requirements officials,
and decisions on bonuses for procurement officials in the Senior
Intelligence Service who are decentralized will be made by
the host officials. All of these conditions tend to reduce
the authority of the contracting officer or give the appearance
of some degree of conflict of interest. As a result of a
recommendation by the Task Force on Industrial Contracting
and Security, while contracting officers' reporting to line
requirements officials is less than desirable, none the less a
procurement officer is involved in the evaluation process
either as primary rater or as reviewing authority.

The annual Program Call provides for an exchange of
information between Logistics and senior Agency management
so that management is aware of OL's broad objectives and
resource needs. The Management by Objectives program is
another vehicle used to identify key issues and develop
courses of action. This process provides for the periodic
review of objectives by the D/L and the DDA. Not all MBO's
are included in the Program Call, however, the vehicles,
the Program Call, and the MBO's do not now move simultaneously
through the decision points and are not used as an integrated
managerial tool.

2.4 LOGISTICS GOODS & SERVICES ENVIRONMENT

Customer demands for goods and services have not subsided,
despite diminishing logistics

system continues to react to emergency requirements, to lack
of planning, and to year-end spending. This operating mode, which
is typically characteristic of the OL system, is inefficient and
costly. As an example, Space is at a premium, particularly at
the Headquarters building. The [____]building, to be constructed   25X1
and available for occupancy in mid 1981, will provide approximately

25X1   85,000 square feet in [_____] This space will offer
some relief from the overly congested areas in Headquarters.
However, the continuing dispersal of Agency buildings will
drive up the use and cost of energy, an interesting dichotomy
at a time when a major national priority is energy conservation.
Long range integrated agency planning will level to efforts
to consolidate spare _____ Headqua ters compound via new
constructions.

2.5 OFFICE OF LOGISTICS ENVIRONMENT

The Director of Logistics is responsible for developing
logistics policy and implementing logistics support to all
Agency activities, the position has the responsibility for
establishing and maintaining procurement and supply systems,
administering the real estate and construction programs, and
providing printing, photography, mail, courier, transportation,
and other appropriate logistical services.

Logistics management philosophy has been one of providing
logistical support responsive to tasking requirements. This
attitude pervades throughout the logistics organizations despite

the often-mandated reductions in budget and personnel. Logistics,
therefore, operates in an environment where it is constantly called
upon to extend itself, often under stressful conditions.
The general environment causes one to extend themself and
necessarily promotes innovative and reactive management
since managers must somehow compensate for resources that
are becoming in increasingly short supply.

The Office of Logistics, at least in a functional
way, has been around since the inception of the Agency.
Over the past thrty-five years, it has grown from a rather
diffused operation - small support elements, within large
elements, each doing their own thing - to a centralized,
highly-skilled, and professionally-managed services. It has
demonstrated over the years the capacity to resond quickly
to support requirements for clandestine paramilitary operations
through supporting the needs of the highly technical collection
systems. It has advanced from a predominately labor-intensive
manual and mechanically orientated organization to the more
suphisticated organization employing automated systems.
This is particularly the case in areas of inventory management
and printing and photography.

The major milestones in the history and growth of the
Office are presented below so that planners may place the Office
and its evolution over the years in the proper context in terms
of its Agency support role:

SECRET

o   October 1945, the Procurement and Supply Branch (P&S), with a staff of ☐ people, was the logistics support arm for the Strategic Services Unit and, after OSS, the forerunner of CIA.

25X1

o   Public Law 253, the National Security Act establishing the CIA, was signed by President Truman on 22 July 1947. The P&S Branch became the Services Division, personnel strength ☐. Logistics began to take on a global role. The CIA began to grow with the formation of the Office of Policy Coordination which was the impetus to Agency paramilitary operations. Logistics functions were diffused during this time.

25X1

o   The Deputy Director for Administration was formed in December 1950. Logistics functions - Procurement and Supply and Administrative Services - remained separated organizationally. OPC and OSO were merged in 1952. The clandestine services resisted consolidation of a unified support structure until well into 1960's.

25X1

SECRET

25X1

o   The Logistics Office was renamed Office of Logistics
    under the DDA.   There was a rapid growth in personnel.
    By 1960 there were over ☐ employees, and the   25X1
    property procurement account was ☐ .   25X1

o   1955, Congress authorized funds for construction
    of CIA Headquarters.   Building Planning Staff
    formed to coordinate planning and construction of
    new CIA building.

25X1   o   1959, ☐ office established.
                Eisenhower lays cornerstone for Langley Headquarters.

25X1

25X1

o   1967, new printing plant completed on the Head-
quarters compound.

o   1967 - 1968, in response to needed support to
technical programs, procurement contractor teams
assigned to technical components of the Agency,
with delegations of authority by contract. Property

25X1   procurement ☐.

o   1970's, U.S. withdrawals from Vietnam and Laos;
and ☐   25X1
closed. On-board personnel strength dropped

25X1   to ☐, while personnel ceiling dropped to ☐.   25X1

25X1   o   1979, ☐ and closing of major
sites.

o   1980, Career service positions expected to be ☐,   25X1
on-board strength will be approximately ☐.   25X1

The Office has gone through some rather turbulent years.
Its rapid growth was in response to a global intelligence
support role, particularly in the areas of paramilitary

operations and large technical collection systems. The
1980's will equally challenge managers to meld a logistics
system which is appropriate to today's environment, diminishing
resources of all kinds, increasing requirements and a higher
level of public visibility. This transaction will require
creativity and innovation to insure Logistics capabilities
teach Agency support requirements.

2.6 LOGISTICS AUTOMATED SYSTEMS

Logistics began using automated systems in the early
1950's. However, the major thrust towards ADP applications
did not begin until the mid-1960's with the formation of the
Support Information Processing System (SIPS) study group.
SIPS did not materialize and there were many years of groping
before Logistics got its first truly on-line Inventory
Control System (ICS) in 1974. The system is now six years
old, and has had no major enhancements since that time. While
the dynamics of the Office have changed considerably, the
system has remained basically unchanged, has become obsolete
and is now the subject of a study to determine the requirements
of a replacement system.

The Contractor Information System (CONIF) with several enhance-
ments is used to record and track contracts information.
It also provides some relevant data to the Office of Finance.
Another major logistics automated system is the Federal

Automated Requisitioning System (FARS) which will soon be operational. This system will enable the Supply Division to interdict the Federal Supply System via computer; heretofore, this has not been the case.

There are other OL systems which are useful, such as the Preventive Maintenance System, the GRAMS report (office space), the weapons tracking system, and others. While these systems are all highly useful, they operate independently of each other and rarely, if ever, is data shared or exchanged.

The Printing and Photography Division has been one of the front runners in pushing the state-of-the-art in automation. The Division's productivity is high and the quality of its product is first-class. The Electronic Text Editing System, and the Management Information System are several examples of computer applications employed in P&PD.

Since the demise of SIPS, the Office of Logistics has never really focused on a broad conceptual model of total logistics materiel management and information handling system. Therefore, except for the P&PD effort, what logistics systems there are are diffused and unrelated to each other. Further, there is little or no compatability between OL systems and other systems within the DDA.

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2.7   PAPERLESS SOCIETY

Within the Agency more emphasis is being placed on
alternatives to paper and information handling. The emphasis
on "electronic mail," the development of the Support Analysis
File Environment (SAFE), and the Clandestine Records Application
Field Terminal (CRAFT) along with an Agency consciousness to
reduce the voluminous amounts of paperwork and hardcopy files,
will have a positive effect on these Agency efforts. OL must
become a full participant in programs to reduce paperwork, and
improve the flow of information.

SECTION 3 - OFFICE OF LOGISTICS RESOURCES

3.1 PERSONNEL

3.1.1

In the latter part of the 1970's, the OL personnel ceiling

25X1 hovered at approximately [ ] positions. As of 31 December 79

25X1 there were [ ] OL career service positions. The personnel posture
will remain relatively stable in the next five years, with perhaps
the mix and nature of jobs changing because of anticipated advances
in ADP application, and job restructuring.

Approximately two-thirds of the personnel are professional
officers and clericals while the remainder are wage board employees.

25X1 [ ] positions are within the office and [ ] 25X1
are assigned to other components and at domestic field and
overseas installations. Forty personnel from other career services
are assigned to OL to support Logistics in areas of industrial
security, personnel and training, budget and finance, and auto-
mated data processing.

While it is expected that the OL population will remain
relatively stable over the next five years, events occurring from
outside the office could ultimately cause this to change.
Knowing that the normal bureaucratic processes associated with
personnel policies are slow to react to change, OL will be left

in a position of having to make do with the personnel it has if manpower requirements need to be increased. Logistics response to innovations brought about by new technology can be expected to be more immediate as long as additional manpower is not required.

From FY 80 through FY 86, [____] Logistics careerists, [____] 25X1
25X1
percent, will be eligible for retirement, and while the total population will remain stable, the internal disruption will continue to be great, as OL managers attempt to juggle personnel to fill needed jobs and skills. Distribution by grade and condition of retirement is as follows:

	Civil Service (Optional)	CIARDS (Voluntary/ Mandatory)	
GS-04 thru GS-10			25X1
GS-11 thru GS-15			
Wage Grade			

Employees who become eligible under a special retirement option (discontinued service/involuntary retirement) could significantly alter these figures.

3.1.2 Training

Training in Logistics has a twofold purpose. First, it provides for training which will enhance on-the-job skills directly. Secondly, management encourages and supports the opportunity for OL careerists to engage in internal and external training in hopes of improving the employee's career opportunities,

professional growth, and management skills. OL management is so
mindful of its training responsbiilities that only the Director
may deny an employee's request for training.

The recently initiated Agency Opportunities for Career Develop-
ment program while not a training program does provide career
opportunities for qualified employees, including OL personnel.

3.2 LOGISTICS MANAGEMENT

The Office of the Director directs and supports the personnel
assigned to the Logistics career service and the five operating
divisions of the Office of Logistics. Four staffs and the
executive office provide policy and procedural advice in the areas
of contracting, industrial security, personnel, special programs
evaluation, finance, records and ADP application. It also
operates a contract information system, performs security inspection
of contractor facilities, distributes all correspondence within
OL, monitors and controls the OL budget and procurement allot-
ments, handles all claims by Agency employees, monitors equal
employment opportunity within OL, and directs energy resources
management efforts. The O-D/L has ☐ staff employees, a
ceiling of ☐ positions, and ☐ part-time employees.

25X1
25X1

25X1

3.2.1 Logistics Services Division

Provides administrative support to Agency facilities in the
Headquarters area. Functions include courier and mail services,

motor pool operations, classified waste disposal, distribution of
administrative supplies, management of building space, space
renovations and office moves, furniture maintenance, and parking.

25X1 LSD has ☐ staff personnel assigned; a ceiling of ☐ positions. 25X1

3.2.2   Printing and Photography Division

Agency requirements for intelligence, cartographic, pictorial,
and administrative publications are met through the operation of
a central printing and photographic plant that ensures high
quality, rapid delivery, and rigid security control. P&PD per-

25X1 sonnel posture is ☐ staff employees on board, a ceiling of ☐ 25X1

25X1 positions, and ☐ part-timers.

3.2.3   Procurement Division

Effects the acquisition of all open market purchases of
general supplies and services, major production items and services,
ADP equipment and services, and of covert material. It operates

25X1

3.2.4   Real Estate and Construction Division

Acquires, manages, and disperses all official and nonofficial
real property required for Agency operations worldwide. Its two
engineering branches provide technical consultation, project

25X1

management, utilities planning, and contract administration to
support the Headquarters complex and field installations. Its
personnel strength is ☐ with a ceiling of ☐ positions. RECD   25X1

also has ☐.   25X1

3.2.5 Supply Division

Determines the appropriate source for all Agency require-
ments for supplies and equipment. It administers the Agency
supply system, manages all stock inventories including contingency
reserves, and operates two major supply depots. SD has ☐   25X1

personnel on board, a ceiling of ☐ part-time employees.   25X1

3.3 FACILITIES

Logistics is assigned 444,972 square feet of space in
the Washington metropolitan area. (Source: CRAMS Report,
January 1980.) The space is allocated as follows: 25X1

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SECTION 4 - REQUIREMENTS

4.1 INTRODUCTION

OL requirements are predicated on customer needs with the size, complexity, and magnitude of specific requirements for goods and services, usually a function of the dynamics of the operational environment. This fact has traditionally placed the office in a mode of having to react to unplanned, unprogrammed, and unfunded requirements. Logistics has generally remained flexiable enough to respond to such requirements, but at a time of diminishing or fixed resources, more efficient methods to meet requirements must be found.

OL's objective is to respond efficiently and effectively to known, as well as unplanned requirements. This plan is to provide the vehicle for managers to communicate and provide the creativity and innovations necessary to meet the challenges of the future.

4.2 SCOPE

Logistical support requirements are incorporated into the program submission. The anticipated future cost increases of providing the goods and services are factored into the program, with the exception of the Legislative pay increases. The program is a reasonably accurate guide for defining resource requirements provided there are no major disruptions in the Agency mission

or operating objectives. This is of major concern to Logistics, since unplanned requirements and end-of-year procurements have always been a problem for Logistics.

The major resource impact is felt in the area of personnel-related areas. New and urgent programs, although sometimes troublesome, may be handled as unfunded requirements or from other contingency funds outside the purview of OL. Limited office space and procurement responsiveness have always been major areas impacted by unexpected requirements.

Efforts to promote, develop, and implement ADP systems for labor-intensive operations will lag far behind the requirements. The pressures will continue to "do more with less" including doing without timesaving but expensive technology. The limited availability of funds and the development time in bringing up new systems will tend to exacerbate the availibility of already diminishing resources. Therefore the transition from existing capabilities to more streamlined and effective methods will be slow.

4.3 SPACE REQUIREMENTS

During this planning cycle, space requirements levied on Logistics will be extensive. A number of these requirements are concurrently being acted upon; among these, is the acquisition of the additional 85,000 square feet of office space.

4.3.4 Headquarters Building

25X1

Design, modification, and construction backfill space require-
ments resulting from the [   ] Building occupancy will begin in
December 1980 and should be completed by September 1983. The
moves are in support of DDS&T and Office of Security requirements.

4.4 STANDARD LEVEL USER CHARGES (SLUC)

The annual program submission provides for direct payment to
the General Services Administration for space and services furnished
by GSA. SLUC payments are mandated by statute; and, at the present
time, there is no alternative open to the Agency. SLUC charges

25X1

are estimated at [   ] with inflationary costs of approx-
imately 10 percent per year built into the program. Rates are
based on the GSA Fair Annual Rental (FAR) system of appraisal value.

4.5 BUILDING MAINTENANCE

The acquisition of [   ] will place an additional 25X1
workload on the LSD work forces in the areas of building and space
maintenance.

4.6 PRINTING AND PHOTOGRAPHIC SUPPORT

Provide perishable intelligence in printing and photographic
form to all Agency components on a time-critical basis. There is

a need to improve productivity in order to keep up with rising demands for services.

4.7 ENERGY CONSERVATION

The Director of Logistics is responsible for energy management and conservation within the Agency. Since the scarcity of energy (fossil fuels) is one of our major national domestic issues, each Federal agency will need to be responsive to directives to conserve energy usage. The challenge lies in achieving this objective with reasonable impact on Agency operations and Agency employees.

4.8 SUPPLY OPERATIONS

The demand on supply operations is expected to continue at about the same level as it has been in the past several years. With an inventory of just under 15,000 line items totaling ☐ 25X1 million dollars, stock distribution and levels are not expected to change significantly. Any major disruption in the relative status quo concerning paramilitary operations could significantly change this picture. At the present time, Logistics has neither the skilled personnel nor the financial resources to support a major paramilitary operation.

Supply Division will continue to be responsive to the needs of the DDO, DDS&T and Office of Communications for overseas

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support, but recent efforts to reduce the number of Logistics and Support personnel overseas, as well as in the Divisions, could cause a realignment of resources within Logistics to fill the gap. A study is underway to examine communications support bases overseas with a possible outcome of consolidating and perhaps retaining some of these facilities overseas.

The greater challenge lies within the Supply Division: provide the Office of Logistics with a more efficient supply system that is cognizant of the diminishing resources, while continuing to meet Agency requirements and adjusting to customer demands as it moves through the planning cycle. An automated management system more appropriate to SD needs should lead to increased efficiencies and responsiveness in supply operations.

4.9 PROCUREMENT

Any forecast of directions for CIA procurement must consider either what has already occurred or, is predicated for the rest of Federal Government. In November of 1969, a blue ribbon Presidential Commission was created by PL 91-129 to study and recommend to Congress methods "to promote the economy efficiency, and effectiveness of procurement by the executive branch of the Federal Government." This group considered some 400 problems and issues, ultimately making 149 separate recommendations. The number one recommendation in terms of priority

was that, "an Office of Federal Procurement Policy, high in
competence and small in size, established by law and responsive
to Congress, and placed in the executive branch at a level where
it can oversee the development and application of procurement
policy, be established." Under this recommendation, the
contracting agencies were to continue to be charged with clear
responsibility for individual procurement actions.

In 1966, _____ 25X1

after an exhaustive study _____ of procure- 25X1

ment in CIA, recommended, among other things, that "a top
level procurement management review and coordination function
25X1 be established." _____ went on to recommend that this
function be carried out by the DDS (now the DDA) through a
Special Assistant for Procurement Policy and Control. The
thought behind placement of this responsibility at the DDS level
was that the Special Assistant would be able to "cut across
directorates in procurement matters and, in effect, be the
Agency's overseer of procurement and materiel management."
A Procurement Management Staff was established in response
to this recommendation, but, after various turf battles, was
reduced in status by being assigned as a staff within the
Office of Logistics.

As recently as 1977 a special task force appointed
by the Acting DCI performed an in-depth study on CIA industrial
contracting and security, and recommended that the significance
of procurement be recognized by establishment of a Deputy

Director for Procurement within Logistics. Also considered by the task force was the possibility of an Office of Procurement within the DDA. The recommendation that a Deputy Director for Procurement be established was not accepted.

The Federal Government processes [   ] in supplies   25X1 and services and, in recognition of the importance of the procurement function, has established an Office of Federal Procurement policy. More than half of CIA's total nonpersonnel budget (classified) is expended annually for procurement of supplies and services and yet CIA has continued to maintain its policy and coordination function at a level that renders it ineffective. This is inconsistent with other Federal Governmental agencies and is counter to recommendations by The Commission on Federal Govern-

25X1   ment Procurement, [   ], or the Task Force on Industrial Contracting and Security.

Procurement actions are expected to continue at a level of approximately 40,000 line items per year. This figure does not include, however, the approximately 2,000 line items that tradition- ally have been procured for Project [   ] and which are not   25X1 captured in the ICS. That ratio of line items issued from stock against line items procured will continue at 40 percent to 60 percent.

Procurement Division will be faced with the same kinds of pressures as Supply Division. As administrative, specifically

Logistics personnel are withdrawn from overseas and the operating components, OL will be faced with having to take on the workload from these reductions. Further, without trained support personnel, the technical information which is needed to initiate successful procurement action will be lacking. The contract procurement teams are expected to remain in a position to support the organizational components to which they are assigned.

To implement a recommendation of The Commission on Federal Procurement, the Office of Federal Procurement Policy (OFPP) has developed a Federal Procurement Data System (FPDS). This system requires input by all agencies, including DOD, of data on all contracts. Data includes information such as contractor name, commodity being procured, competitive versus sole source, small business versus big business, female-owned, minority-owned, labor surplus, amount, etc. CIA has advised OFPP that it cannot input data to the system because of its requirement to protect sources and methods.

While we have chosen not to input data to the FPDS, we must be able to capture compatible data from CONIF or other internal CIA systems to be able to respond to oversight, to our management, to our committees on the hill, or to others with proper clearances and need to know.

Security constraints and the complexity of our requirements, coupled with a shortage of qualified minority contractors, have contributed to be a serious problem in developing a base of

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minority contractors. This problem is not unique to CIA and is, in fact, a general problem throughout Federal Government. CIA management is attempting to improve this situation. The Procurement Management Staff in Logistics is identifying sources and disseminating information to all directorates. A memorandum has gone to each deputy director asking that every attempt be made to increase the level of contracting activity with minority contractors.

4.10   PRINTING AND PHOTOGRAPHY

From empirical data, we see a continuing trend toward an increase in publishing throughout the Agency and the need for photographic and visual material on an expanded scale, all with a demand for ever-constricting processing time.

4.10.1   Printing

- Digitized Halftones

In order to print photographs in publications they must first be prepared through a process called halftone photography. Halftone photography converts continuous tone reflective copy, such as a photograph, into dots of various size by photographing the original through a fine-line screen. This process is essential to printing, as it permits the reproduction of varying tones on a printing press. This process now requires

skilled technicians, is labor intensive and slow. Automation
will allow fast thruput, consistant quality and greater efficiency.

- Color Scanner

In order to reproduce continuous tone full color pictures
in the printed medium under the existing capability of P&PD,
it is necessary to separate the picture into the three basic
colors of red, blue, and yellow, plus black, which adds depth.
These color separations are then broken into minute dots on a
photographic negative through a process called Halftone Screening.
A printing plate is made from the halftone negative and the
color picture is reconstituted on paper by running the process
color plates on a printing press. This traditional technique
of breaking a color picture into the primary colors is both
labor-intensive and time-consuming.

- Laser Platemaker

Press plates are now produced by exposing a light sensitive
printing plate to a light source through a prepared negative.
The negative is produced using conventional photographic processes
and assembly (imposed) into a printing format by offset strippers.
This entire process (photography, imposition, and platemaking),
can be accomplished by a single laser platemaking device. A
laser platemaker scans the prelaid copy with a laser and transfers
the image to a second laser, exposing the image onto a press
plate held in the laser platemaker. The press plate, processed

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directly from the laser platemaker, is then ready for running
on a press, at tremendous savings in labor and material over
the existing method.

- Xerox 9700 Electronic Printing System

P&PD is currently in the process of evaluating the
potential applications of the Xerox 9700. This equipment
merges three technologies: digital computers, with their
capacity for high speed handling of information; the high
resolution imaging capabilities of lasers; and xerography's
ability to produce quality printed output at high speeds.
The 9700 can design and complete forms, change font styles,
provide an abbreviated text composition capability, print on
both sides of paper, and even print publication covers and
place them in the correct collation sequence. The laser-operated
image generator is driven by digital input, therefore, capable
of becoming an output device for P&PD's ETEC system. The 9700
can be used as a proofing device, a semiautomated forms generator,
or as a rapid response, stand-alone printing system. With the
ever-increasing use of data links, the capabilities of the 9700
become even more interesting (as an interactive information
handling system).

- Bindery Branch Automation

Within the planned modernization of the Press Branch equip-
ment, a new web offset press has become a reality. Its companion

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production piece, a device known as a gatherer-stitcher, automates the finishing aspect of printed matter generated by the web press. The gatherer-stitcher is, functionally, an item of binding equipment which has already produced a favorable impact on Bindery Branch operations. Its acquisition may represent the first step in updating the bindery function. Other equipment in this area is also in need of modernization to prevent the printing sequence from "bottlenecking" in this Branch.

4.10.2   Photography

- Dicomed COM Recorder

The use of Computer Output Microfilm (COM) has gained wide acceptance throughout the Agency as an information handling system. The requirements to place alphanumeric data on this form of computer output continues to increase, and surveys indicate that there has developed a demand for graphic illustrations that will complement the traditional textual data. P&PD's near-term plans include the acquisition of an advanced generation device, the Dicomed D148C System, which is capable of producing graphic illustrations in either color or black and white.

4.11   OTHER LOGISTICS REQUIREMENTS

4.11.1   Industrial Security -

Two-thirds of the resources available to undertake the Industrial Facility Reinspections program are not under the

direct control of OL/SS. The maintenance of a fixed schedule of reinspections by Contracting Team Industrial Security Offices (ISO) is frequently effected adversely by a variety of factors over which the Staff has little or no control. Consolidation of the functions within the Staff is highly desirable in the interest of better management of the Industrial Security Program. To effect this, undoubtedly, some additional resources will be required which go counter to present trends. Therefore, if accomplishment of the goal flounders due to lack of resources, two alternatives remain: (a) continue the present mode of operation, or (b) transfer the reinspection responsibility to the Industrial Security Branch of OS which is currently con- ducting periodic comprehensive security audits of contractor facilities. To reduce the present level of reinspections conducted would not appear to be a desirable alternative.

Coupled with the inspection program is the requirement to maintain comprehensive data. The OL Security Staff manages the SECOND Program which provides an automated record index system for contractor Industrial Security Approvals. This program also contains a minimal amount of data that may be transferable to an automated Industrial Security Data Base program. The format of an automated Industrial Security Data Base program would be keyed to the Industrial Facility Inspection Report submitted by ISOs.

Of primary importance is the preservation of the facility records in the event of fire or other contingency. A reduction

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of hard copy files will also free working space critical for other needs.

4.11.2   Information Handling

Logistics is a large consumer and generator of information. Managers are being bombarded with information and inundated with paperwork. While this is so, the processing, filing and storage, and retrieval of information is cumbersome and difficult. This is an area of endeavor which falls heavily on the Logistics clerical employees.   The average annual attrition rate among these employees within the office is 16.8 percent. Necessarily, if managers need to become more effective in increasing pro-ductivity, alternatives to paper and information handling must be found. Centralized word processing the information handling centers employeing automation should be considered as a means to come to grips with this issue.

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SECTION 5 - PLANS

5.1 GENERAL

Plan Motivator

The major premise upon which this plan is based is one of
austere resources, increased demands for logistics services, and
little hope that the situation will improve. This is the under-
lying theme which remains constant throughout the plan. Each OL
component will be affected by the scarcity of resources to a
greater or lesser degree.

The challenge which Logistics will face during the next five
years will be to offset effects of scarce resources through increased
productivity. Therefore, what must occur is for OL to maximize
efficient utilization of existing resources through innovation,
creative management, and the increased utilization of improved
technology. The assignment of organization priorities, the
elimination of marginal systems, and the restructuring of offices
and personnel in a manner which is most responsive to the OL
mission must become part of the scenario in carrying out the plan.

It is in this phase of the strategic planning process that
objectives, the Program Call, the Personal Development Plan and
management direction and philosophy must be melded together.
It is at this point that the planning strategy must become
clearly defined. Past record and historical experiences,

both successes and failures, are not necessarily "base lines" for future action. To evaluate current and future objectives in the context of past events could yield totally inaccurate results. The environment and circumstances are constantly changing, therefore strategic planning must be a dynamic process. Acceptance of this statement is key to the successful execution of this plan.

5.2 NEW INITIATIVES

In order to meet the objectives stated in Section 1, OL will need to take initiatives in the following areas:

5.2.1   Automated Data Processing (APD) Management and Control

-   Establish centralized management control over ADP requirements, development, and execution. The Systems Analysis Branch to become an integral part of the total OL planning process. All OL ADP systems will be evaluated, on the basis of contributions made towards productivity improvements, efficiencies and cost effectiveness, and information handling.

-   Create a formal ADP requirements and control structure which can interface with the ODP and other offices, within and outside the Directorate.

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5.2.2 Procurement and Supply Productivity

- Logistics will improve the thruput time for requisitioning and procurement production processes. This will be done through increased application of ADP and word processors. The preprocurement screening of requisitions against the Federal Catalog data base via AUTODIN will be done utilizing the Federal Automated Requisitioning System. By the end of 1986, Logistics will have developed an automated system for the transmission and processing of requisitions from field and headquarters components directly into a logistics material management system. Thruput times will be improved as follows:

Average Processing Times (days)

	Current	By 1986
Pre-System	16.00	8.0
Internal Processing (SMB, procurement, etc.)	20.50	15.0
Vendor Delivery	49.80	49.80
Sub Total	86.30	72.80
Depot Thru Time	17.00	12.3
	103.30	84.83

This will result in an overall improvement in processing of 18 percent. There is not much the Agency can do to improve vendor delivery. Scarcity and cost of resources, coupled with the specialized nature of a high percentage of our procurements, will result in less responsive vendors. Vendors will obviously be looking at the greatest return on their investments, and this is not likely to be with small-dollar volume customers (CIA) who often place inordinate demands on them and have unique requirements to be met. This condition will be most noticeable in general procurements and small contracts. In an effort to improve vendor relationships, receiving documentation and vendor payments processes will be automated. This should result in faster payment of invoices and more satisfied and willing vendors.

- Information handling will be incorporated into the planned automated systems. Paper records and files will be eliminated where possible. Efforts will be made to reduce necessary hard copy files to microfiche. The preparation of purchase orders, shipping documents, and bills of lading will be prepared by computers or word processors.

5.3   INITIATIVES IN THE OL FUNCTIONAL AREAS ARE A FOLLOWS:

5.3.1   SUPPLY OPERATIONS

What the Supply Division, and indeed the whole of Logistics, will look like circa 1986 will depend to a great extent on what happens in other components of the Agency. ~~Signals are clear in will look like circa 1986 will depend to a great extent on what happens in other components of the Agency.~~ Signals are clear in DoD and elsewhere in Government, there is a trend to combine automated systems information handling and communications. Because the technologies of automation and communications have merged, and because information systems include both the processing and transmitting of information, the Army, in 1978, combined two components to form the Office of the Assistant Chief of Staff for Automation and Communications. There are efforts underway to centralize control over automation and communications for the U.S. Government. While organizational changes can occur slowly within the Agency, it is possible that within the five-year scope of this planning cycle, ODP and OC will merge. Because of the large numbers of people and dollars involved, such a merger could result in the formation of a new directorate. The impact of a massive reorganization upon Logistics cannot accurately be accessed at this time. However, the driving force may well be OC. With a new charter, its own logistics bases at regional sites, and the bulk of the line items in stock being under OC cognizance, there is a question as to what services Supply Division would provide OC with. Historically, OC has co-opted

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OL personnel (primarily engineering techs), but it takes
little imagination to visualize first the assignment of a con-
tracting team to the new directorate and eventually that
directorate's desire to centralize, under its control, as much
of its support base as possible. This type of scenario is one
which should be given some forethought as we enter into this
planning period and is but one of several hypothesis for the
future.

-       In response to this type hypothesis, the Supply Organization
will be re-examined. Consolidation of and management of logistics
functions within Logistics as contrasted with the decentralized
operations as to the case of OC must be examined, as possible
enhancements to operational efficiency and better utilization
of personnel resources.

-       Much of the responsibilities for paramilitary support
falls to the Supply Division. A concerted effort will be
made to realistically identify the requirement and to assess
and tailor a program which appropriately meets the Agency's
needs.

-       Productivity enhancements will be made in areas of inventory
management, requisition processing, cataloging, receiving, and
other depot operations. This will be done through the more
extensive use of automation. Criteria for these enhancements
will be included in the development of a logistics materiel
management system.

5.3.1.1   Depot Operations

Each depot will take additional specific actions to improve efficiencies and productivity.

25X1

- Institute new and innovative packaging techniques; increase the use of automated material handling equipment.

- Improve the general work and storage environment.

- Depot management will work to achieve a better balance of personnel skills among the work force. This will be done through cross-training and other training initiatives.

- As a major user of automotive fuels, the Depot will institute a gasohol program and will experiment with synthetic fuels. Transportation management will receive priority consideration in efforts to conserve fuels.

25X1
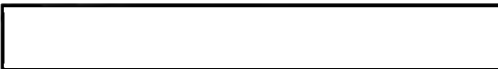
- Conduct annual operational readiness exercises which will facilitate the identification of areas that need to be improved upon. These improvements will be made during the five year period.

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- Conduct an active career development program which will ensure that the young and less experienced employees have the skill to replace the mature and experienced work force which continues to be lost through normal attrition.

5.3.2   PROCUREMENT MANAGEMENT

Considering the thrust in the Federal Government and the recommendations of the several studies previously mentioned, the Agency should again address the issue of the level of hierarchy within CIA at which procurement policy and coordination should be.

- The SIS bonus allocation system for contracting officers will be reviewed and recommendations made to remove any appearance of conflict of interest by having bonus decisions for SIS procurement officials in the DDS&T made by the DDA.

- A motivation career development plan for contracting officers will be emphasized and continued efforts to increase professionalism among CIA contracting officers.

- Trends in the Federal budget have resulted in repetitive reminders that we will be required to do more with less. Other Federal agencies are automating their procurement processes thereby making procurement less labor intensive. The automated procedures also result in greater uniformity among contracts

within an agency and easier updating of contract clauses both for

solicitations and contracts. An initial effort in this area

might include consideration of systems already on line in other

agencies, such as the Procurement Automated Data and Document

System (PADDS) developed by the U.S. Army Materiel Development

and Readiness Command (DARCOM). The PADDS operates on a mini-

computer dedicated to the procurement function. Our goal is to

progressively move toward increased automation in the procurement

processes.

-      Efforts will continue to improve CIA's record of contracting

with minority contractors.

5.3.3 Printing and Photography

Assuming that resources will remain static, the productivity

of P&PD operating branches and staffs must be elevated, not only

to accommodate the increased demands of the future, but also

to enhance our capability to meet the situation of short-deadline

requests which we have with us at the present time. To increase

productivity, it will be necessary to link technological advance-

ments with improved methods and procedures throughout the Division,

casting an eye toward a total systems concept while looking at

the very diversified operations as they now exist. This concept

will avoid the pitfall of implementing technological or

procedural improvements which may enhance the efficiency of

one branch or staff operation but at the expense of creating a

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new and greater inefficiency in an associated operation.

The upgrading of labor-intensive methods used in the distri-
bution of documents from the Dissemination Section, Bindery
Branch; the elevation of the Division's capability to create and
update graphics and visual aids rapidly; the improvement upon
existing means for the presentation of briefings for all Agency
components; the reduction of the Division's dependency on silver-
bearing photographic products; the improvement of communication
links between P&PD and the Headquarters Building as well as to
outlying facilities; and improvement in the overall quality of
printed and photographic material and the shortened response
times involved in their production; all of the above are necessary
to meet productivity goals. The three production cost
centers in P&PD have been segregated below to show what P&PD has
planned for each in an attempt to attain the aforementioned five-
year goals.

a. Printing

  - Digitized Halftones

Through the use of a laser camera system, conventional time-
consuming camera operations and expensive graphic arts film can
be eliminated. The device scans the original copy, converts the
image to digitized data, and electronically incorporates the
desired fine line screen. The digitized halftone can be stored

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on a computer disk or magnetic tape. In an interactive electronic production system, stored digitized halftones will be integrated with the text from the P&PD ETECS typesetting system and transmitted through data links to a laser platemaker. The laser platemaker will then produce a finished printing plate containing both text and illustrations, properly assembled and positioned for the press run sequence. At present this technology has not reached practical application in P&PD but both its reality and potential benefits are expected within the forthcoming five-year time frame.

- Color Scanner

A direct color scanner is a device that will perform the color separation functions of the offset camera automatically and with a considerable savings in time. Color scanners utilize laser technology to scan the original image, break the image into its component colors, electronically "screen" the image, and produce process film negatives used to make press plates. Color scanners are available and are under consideration for use in P&PD in the Offset Photography Branch.

While color process printing is currently accomplished as a separate camera operation from the text, it may become possible to incorporate the black process color image with ETECS-generated text directly in a laser platemaker, using electronic links to transfer the digitized image.

- Laser Platemaker

Laser platemakers are particularly attractive because they eliminate the need for silver-based photographic films, which have recently experienced quantum price increases. Laser plate-makers also offer faster processing times (2-3 minutes from copy to plate) by eliminating camera, film processing, and stripping operations.

Current laser platemakers are designed to accommodate a newspaper-sized page format, too small for the commercial-size presses used by P&PD. Manufacturers have developed methodologies which allow presently available equipment to produce larger-sized plates. Laser platemakers designed for the commercial marketplace can be expected in two to three years.

Present laser platemaker systems read paste-up copy directly and produce a plate from the copy. New equipment, now being tested, can produce a plate from magnetic tape digital input. Future platemakers are being developed which will be electron-ically linked to a computer typesetter. This will allow pages to be made up on a keyboard terminal and transferred digitally to the laser platemaker.

- Xerox 9700 Electronic Printing System

The Xerox Corporation is continuing to enhance the 9700's capabilities. Within the next five-year time frame, it may be

able to print in color, digitize and reproduce continuous tone
graphics, and efficiently replicate its initial output. ODP is
using the 9700; the Commo APARS program will employ seven 9700's.
Current planning in P&PD calls for the trial use of a 9700 to
gain hands-on experience with the 9700 capability.

- <u>Bindery Branch Automation</u>

Specifically, the dissemination of finished publications is
a function in urgent need of automation to speed production,
strengthen security aspects of this activity, and reduce a labor-
intensive hand operation. The marketplace is being searched for
hardware that will apply labels to packages, prepare courier
receipts, and computerize the contents of 115 mailing lists con-
taining about 1,600 addressees, which require almost daily up-
dating. It is believed that an intermediate level of automation
for this function is available; a longer term outlook suggests
the possibility of interactive computer data links, from customer
to Dissemination, which will allow the customer to update his
mailing list data base.

b. Photography

- <u>Dicomed COM Recorder</u>

The D148C System, scheduled to replace an existing COM
recorder, is a state-of-the-art device which can produce scien-
tific graphic plotting, business graphics, simulations, and

engineering illustrations. In using a high resolution color CRT
and an appropriate optical assembly, this unit can generate 35mm
color slides, color motion picture footage (animation), as well
as the more conventional forms of microimagery. It also has the
flexibility of being on-line to the ODP host computer software
via data link, to the Zytron graphics generator, and can inter-
face with ETECS to provide a more efficient microrepublishing
capability. If acquired in FY-81, the Dicomed D148C System is
expected to herald a new era in linked, automated information
handling facilities.

c. Graphics

- Zytron Graphics Generator

This device, just now entering the marketplace, has been
trial tested by P&PD's Graphics and Visual Aids Staff for its
application in generating graphic illustrations. In using a
"smart" CRT terminal and appropriate, easy-to-use software, the
operator can create and/or update graphic illustrations and
briefing materials. In many respects, the Zytron package com-
petes with OGCR's Genigraphics device, at a tenth of the cost,
and will eliminate the use of an expensive external contract.

The Zytron system can accept data that is input via a key-
board, light pen, digitizing tablet, existing floppy disk files,
or from a host computer data base such as ODP's IBM 360/370. The
data that is input into the system is then used to create a bar

chart, pie chart, line chart, stacked bar chart, or other illustration formats. The system also has a statistical analysis package which will allow the user to calculate and show a percentage of change when comparing one set of statistics with another.

The Zytron system will provide P&PD with a greater capability to meet customer demands in terms of reducing response times and upgrading the quality of briefing materials. Ultimately it will become an integral part of the data link system proposed for automating the data flow of information handling.

d. Management Control

The technological innovations listed above reflect P&PD's turn toward laser and electronic technologies for the answer to meeting the challenge of providing perishable intelligence in printing and photographic forms to all Agency components on a time-critical basis. It is just as important to augment these technologies with sets of managerial controls, geared toward obtaining a handle on all aspects of the Division's operations for its responsible officers. Toward this end the following enhancements are planned to the existing Management Information System (MIS):

-       Upgrading of the printing and photography job management modules to include more detailed information relative to job costing and equipment loading.

- Upgrading of the supply module to maximize efficiency in supply ordering, receiving, and issuances.

- Upgrading of the VM-based Automated Copier Management System to allow the payment of bills from information retrieved from this data by the Office of Finance.

- Enhancement of the P&PD Property Accounting System to allow for the more efficient updating of files pertinent to Agency property.

- Development of a capability to store all P&PD maintenance and service contracts.

- Development of a system with a capability to list all maintenance performed by P&PD personnel.

- Development of a capability to store detailed P&PD budget data.

The aforementioned technological, methodological, and procedural advancements will be linked together to ensure a rise in the level of production throughout every element within P&PD.

5.3.4 Space Management and Facilities

- <u>New Building</u>

GSA, OL stated that the continued practice of scattering our
buildings and personnel throughout the Washington metropolitan
area not only is inefficient and inconvient, but also goes counter
to our efforts to conserve energy. Further, the letter points
out that this high national priority may now warrant consideration
of a new building in the Headquarters compound. During this
planning period serious study will be given to promoting
enlarged facilities at Headquarters, and the consolidation of
our personnel onto this compound. A Building Planning Staff
will be organized to pursue this project.

25X1 - [   ] Building

This building, which will be available for occupancy in 1981,
will provide some relief to the space problem. Space adjustment
will follow in Headquarters, [   ] and Chamber of Commerce   25X1
buildings as a result of this new acquisition.

25X1 - [   ]

- SAFE

Support space requirements for SAFE at Headquarters; to be
completed by June 1982.

- Enhance Headquarters Utility Reliability

Install new generators and automater; expand electric Vault C by 1981; construct a new transformer vault by 1983; and, install new steam and chilled water main to the Headquarters Building by mid-1981.

- Enhance Safety at Headquarters

Complete fire barrier project at Headquarters, and short circuit corrections by August 1981.

5.3.5 Building Maintenance

Dispite the several unsuccessful attempts made by the Agency to get out from under the umbrella of GSA, a more acceptable alternative for maintaining our facilities must be found. A thorough study will be conducted towards this end, which will include an exemption from GSA to do our own maintenance.

5.4 ENERGY CONSERVATION

The Agency will be a full participant in Federal programs to conserve energy. During this period specific attention will be given as well to:

- Working with GSA in minimizing enery conservation of
  Agency _____ consistant with mission requirements.

- Studying the feasibility of converting classified and other waste to energy.

- Developing a viable ride-sharing and vanpool program.

- Explore the possibility of leasing, from GSA, fuel efficient sedans for the Headquarters motor pool.

- Promote the use of gasohol when possible.

5.5 OTHER MANAGEMENT INITIATIVES

5.5.1 Industrial Security

-    The consolidation of the Industrial Facility Reinspection function within the Security Staff, OL, should result in several gains. It would better situate the Staff in carrying out a schedule which would provide industrial facilities and the annual reinspection of all others. The Contracting Team ISOs would be relieved of this facility inspection responsibilities and would be available for coordinating with COTRs on classified procurement activities, for providing guidance and advice to their respective offices and contractors on Industrial Security policy and procedures, for the security review of RFPs and contracts, and for the inspection and approval of new facilities as may be required. The timely reinspection of industrial facilities would be ensured and an overall enhance-

ment in the quality of the Industrial Security Program could be anticipated.

-    The improvement and expansion of the data and files management program would be an overall benefit to the maintenance of an effective industrial security program. At the present time the Security Staff is housing approximately 2,000 facility file folders amounting to 64 linear feet of material. Microfiche of travel files would greatly reduce the space requirement. Inactive files after being reproduced will be retired.

5.5.2 Information Handling

-    A feasibility study will be conducted to consider establishing centralized word processing and information handling centers. This Center will prepare the bulk of typed correspondence such as purchase orders, contracts, reports, and memoranda; store information using computer medium; record, track, and control correspondence; and operate a copy center. Customers of the Center should be able to receive information electronically. Control of APEX documents will be centralized.

5.6 BEYOND THE PLAN

It would be difficult to conclude this plan without at least peeking into the future - beyond the five years. Much has been covered, certainly sufficient material to keep Logistics busy for a long time. One cannot help but wonder

if the Plan is on track. Logistics has become a big, highly
sophisticated business: Evidence, one of the reasons given
for the recent aborted hostage rescue attempt was a "logistical
failure." Industry has become much more aware of the need for
good planning and good logistics, even so that it is now con-
sidered a discipline in itself with its own professional organization -
the Society of Logistics Engineers.

Given the recognition and growing demand for good Logistics,
we must wonder if OL is properly placed in the Agency hierarchy.
The point has already been made about Procurement, perhaps the
same might be true of the whole of OL.

In conclusion, it should again be noted that the success
of the plan will require that planning be a dynamic process,
the managers fully participate in the planning and execution of
the strategy, and that the MBO program, the PC and the PDP be
in lock-step with the total Plan. The uncertainties in predicting
the future, complide with a rigidity set course of action, can
lead to disasterous consequences. Managers should not, however,
feel intimated in any way by the plan, but should consider themselves
prime movers in translating strategy into action. It bears
repeating that historical precedents are not necessarily valid
assumptions for future courses of action. The planners must be
alerted to the signals which are constantly being emitted, and
have the courage and conviction to deal with them.

S E C R E T